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ADDRESS

— OF —

HON. E. J. DAVIS,

COMMISSIONER OF CROWN LANDS

*Refined*

In Connection with the Budget  
Debate of the Legislative  
Session of 1902

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OPPOSITION CRITICISM FULLY ANSWERED

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THE REAL HISTORY OF THE SAW LOG QUESTION—THE SET-  
TLER AND THE TIMBER—WISE REGULATION OF PROVIN-  
CIAL WATER POWERS—THE ECHOING TRAMP OF SET-  
TLERS—ONTARIO'S PROUD FINANCIAL POSITION—OPPOSI-  
TION ATTITUDE UNPATRIOTIC.

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## Introduction.

The Budget Debate of the Legislative session of 1902 was brought to a conclusion on the evening of February 11th, the Government being sustained by the regular majority of 11. The closing address from the Government side of the House was delivered by Hon. E. J. Davis, Commissioner of Crown Lands. Mr. Davis' department had been criticized by the Opposition in the course of their speeches and the Commissioner took advantage of the opportunity to go fully into the several points raised, such as the timber question, the effect of the timber regulations upon the settler and the rights of the settler, the colonization of New Ontario and the development of the water powers of the province; calling attention, also, to the unpatriotic attitude of the Opposition in shouting bankruptcy in regard to both natural resources and Provincial finances, when, as a matter of fact, no state in the American Union, or other Province in the Dominion of Canada is so advantageously situated in either respect.

Mr. Davis dealt at length with the Opposition's claim to the origination of the present timber policy of manufacture within the Dominion, showing that the question, to be properly understood, had to be considered in its relation to the various American tariffs and the international relations between Canada and the United States. And the Commissioner showed conclusively that, as far back as 1890, the late Hon. A. S. Hardy made home manufacture a part of the regulations governing the timber sale of that year, whereas Mr. Miscampbell, M.P.P., did not move his much-talked of resolution until 1893, and then couched it in such language and moved it in such a manner as to preclude its acceptance even had the Government not already recognized the principle. To have adopted Mr. Miscampbell's resolution would have restricted commerce in timber between any Province in the Dominion, as well as between Ontario and the United States, and this would not only have crippled the Ottawa River industry but would have provoked recriminations from the Province of Quebec.

Mr. Davis also dealt with an amendment moved in connection with the debate by Mr. Miscampbell calling for the development at the expense of the Government of all the water powers in the Province,—(which proposal needed only to be stated to carry its own condemnation)—the safeguarding of the Provincial rights in connection with the power development at Niagara Falls, and the rights of the municipalities with reference to power. In this connection, also, Mr. Miscampbell found that the Government had already provided for the cheap development of the

waterpowers by the municipalities and had amply safeguarded the Province and the consumers of power in connection with the contract at Niagara Falls. In this matter, as in the timber question, Mr. Miscampbell was several years behind the times.

Mr. Davis spoke for two and one-half hours and his address was acknowledged on all sides to have been one of the best which followed the Premier's always admirable budget deliverance.

Even the "Telegram," whose sympathies are not often enlisted on behalf of the Liberal party, goes so far as to say: "The achievement of E. J. Davis will stand comparison with any speech that has been heard in connection with the late lamented Budget." The "Telegram" also said: "His arguments at no time exhibited any signs of feebleness or careless study. As a deliverance on the hackneyed subjects of the debate it was easily the best that has come from the Government side of the House. Mr. Davis made it plain to the House that he has the Department of Crown Lands in good command and that he is thoroughly familiar with all phases of its exactions."

The "Star," referring to Mr. Davis' address said:—

"Mr. Davis delivered the most carefully prepared speech that has been heard in the House in many days. The Commissioner of Crown Lands has the reputation of being an unrelenting worker. His department has a multitude of exacting duties and if he were a shirker he would soon be overwhelmed. But Mr. Davis is not a shirker with the result that he is familiar with the minutae of Crown Lands so that he is able to quote you figures by the yard, which are, as a rule, in contrast to the ordinary run of facts and figures in Parliamentary debates, as clear as crystal. The Provincial Crown Lands and their timber constitute one of the most prolific sources of Parliamentary controversy, because perhaps the members, as a rule, know less about them. Mr. Davis made a conscientious effort to straighten a lot of matters out, and he may be said to have succeeded in cases where minds are open to conviction."

Mr. Davis followed Mr. Foy, who was the principal speaker at the recent Newmarket meeting in the interests of the Whitney candidate for North York, and of whom the Toronto "Globe" says:—"Plausible as Mr. Foy was, however, Hon. Mr. Davis, who followed, was able to overturn some of the most promising structures which he had so carefully put together. Mr. Davis was particularly effective in his treatment of those portions of the Opposition plan of campaign which deal with his department of Crown Lands. He dealt somewhat fully with the claim advanced by the Conservatives, that they were the authors of what is called the saw-log policy, and it must be admitted that the claim has never been more completely demolished in the House"

## Mr. Davis' Address.

The Honorable the Commissioner of Crown Lands, who was received with applause, said :—" Mr. Speaker, I desire to ask the consideration of the House while I make a few general remarks with reference to the financial statement so ably presented to the House the other day by the Honorable the Treasurer ; and I also wish to make a few remarks with reference to the criticisms offered by the Hon. gentlemen of the Opposition, dealing especially with those criticisms which refer to the Crown Lands Department. Then, as best I can, I wish to say a word or two with reference to the amendment moved by my Hon. friend, the member for East Simcoe.

Perhaps this debate is one of the most important in which we can be engaged in this House. It affords the members an opportunity of examining the financial statement of the year which is placed before us by the Honorable the Provincial Treasurer for the consideration of the House and the country. This is the course pursued by all properly conducted business institutions, which at the end of the year make a statement showing exactly the position of their business arrangements for the year just closed. Why do we do this ? And why do all well-regulated companies and business men pursue this course ? The object is to ascertain whether the very best results are being obtained. It is of very great importance and interest to the people of this Province that they should know, at least once a year, and be able to see from the detailed statement of the financial management of the Province, that the very best results are being achieved by those who are responsible, for the time being, for the conduct of the business in which the people of this Province are interested. I am not sure, sir, but that perhaps we, as public men, might follow this example with profit to ourselves and profit to our country, if, at the close of each year, we consider for a few minutes what progress we have been making through that year in adding to the development and prosperity of the people whom we represent, and whose interests are placed in our hands. Sir, how are we to judge the result in dealing with a financial statement such as this, dealing with important interests in an important Province, the most important in this great Dominion of which we are proud ? There is only one way by which we can form an estimate as to whether we are achieving the best results by our financial management, and that is by comparing our position and results with those of other Provinces in the Dominion, and States of the American Union similarly situated to ours. And when we rise from the consideration of that question, and compare our position with that of other Provinces and States, every citizen of this Province, will, I think, rise with pleasure from such consideration of our Budget, and admit that there

is no Province in the Dominion so happily situated as we are. (Ministerial applause.) Sir, I propose, a little later on to give some data that will bear that out, and I would ask the Hon. gentlemen who follow on the other side of the House to be good enough to point to any Province in the Dominion or State in the American Union that can compare with this Province, so far as its financial management is concerned. The first observation of the Hon. member for South Lanark, in reply to the Treasurer's Budget speech, was to say that the whole speech was an apology. This is the first instance in the course of my remarks in which I have referred to my Hon. friend, the member for South Lanark, and I want, in this very opening sentence, to state in the strongest possible language, that I dissent from the proposition which he lays down. That address, to my mind, sir, was not an address of apology. What was there to apologize for? It was rather an address all through which ran an exultant note of confidence and hopefulness in regard to the financial condition of the Province in which we live. (Ministerial applause.) I want sir, to congratulate the Hon. the Treasurer of this Province upon the magnificent showing presented to the House and the country by himself on that occasion. Then, sir, in addition to that, there is something else which I believe was to be admired, and which I believe will meet with the approval and satisfaction of every elector of the Province of Ontario. It was a frank, fair, non-partisan statement, giving a business view of our financial position in a way that was perfectly clear and any man who has had business experience, and who desires to give careful consideration to a perusal of it, cannot but be satisfied that everything has been said that could be said with reference to our financial position. Sir, on that day another budget was presented to the House which will leave its mark on the history of the Province of Ontario along with the long line of statements given by the various Provincial Treasurers during the last 25 or 30 years. (Ministerial applause.) The consensus of independent opinion has for years approved of our splendid financial position. The independent press of the country is taking that position. Sir, on various occasions papers which on other subjects support the Hon. gentlemen opposite, have given their honest opinion that if they desired to make an impression against the Government of the day they would not do it by trying to traduce the financial position of this Province. Sir, we find also that business men speak in the heartiest approval of that management, business men in our own Province, business men with large mercantile interests at stake—men with more at stake in connection with the proper financial management of the country than any other class of people, directly or indirectly. And the business men of other Provinces also speak in similar terms. Go to Quebec and meet the business men there, as some of us do from year to year—from the Maritime Provinces,



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and talk confidentially with these men and they will express to you their admiration of the management of the finances of the Province of Ontario. Sir, a distinguished Conservative, not very long ago in the city of Montreal said to me: "If you could only move the city of Montreal into your Province and have it under your excellent financial system, we would consider it a very great advantage indeed." Our position as a Province is one without a peer. We have every reason to congratulate ourselves upon the position in which we find the financial affairs of the Province to-day.

### **Conservative Attitude Unpatriotic.**

Sir, I want to say a word with reference to the attitude of Hon. gentlemen opposite with reference to our financial position, and I want to ask whether it is a patriotic thing; whether it is in the best interests of this Province or its future development, that they should, from the responsible position which they hold from the floor of the House, assert that we are bankrupt and practically in an insolvent position, and unable to pay our just debts. I would not like to assume a responsibility such as that. Sir, a member of this House invests his utterances with all the responsibility which rests upon one in that position. And if these statements were borne out by the public records of the Province, then it would be bad enough, but the public records of the Province indicate exactly the reverse, that we are not insolvent, and have no debt that we have not sufficient funds on hand to retire every dollar of and have a handsome surplus. After that one would almost think that the Hon. gentlemen on the other side of the House would hesitate before continuing such a policy. I consider that the Government, and the Hon. the Treasurer especially, is acting as a trustee to the people of the Province. He has a certain financial responsibility placed upon him, and this responsibility he is supposed to use just exactly as he would as a trustee in any other capacity, and produce the very best results for the people. The material interests of the Province must be developed, and as we have very large undeveloped raw material throughout this Province, one of the responsibilities that the Hon. the Treasurer has to consider is how we can use these valuable franchises in the best interest of the people. It may take money to develop them, encouragement may be required to be given in various forms, as in aid to transportation, and in various other ways. This is one of the general principles which must guide him as to whether his expenditure should be larger or smaller.

Then the interests of education in this Province are very important. Hundreds of thousands of children attend our public and separate schools and we are proud to know that the record of our Province in this branch is appreciated by all the people. Our children have had every educational opportunity at a nominal expense and we have found during the past

years that we have, under this policy, turned out young men and young women from our public schools and other institutions of learning who have been a credit to this Province and to the world at large. All these interests must be considered when the estimates for the year are under consideration.

Then we have another very important feature which must not be overlooked: That is the care of the poor and helpless throughout our Province. These have not been neglected in the past and the Treasurer of the Province continues to make ample provision for this class of people. It is one of the most important responsibilities resting upon him to do this well.

### Ontario's Proud Financial Position.

Now, sir, I will name only two or three of the great principles which guide our Treasurer in arranging the expenditure of money year by year. I deem it, sir, essential that we must keep abreast of the times in every walk of life in which we are engaged in this Province. This is an age of competition and if we neglect our opportunities we are in a short time left behind, and in order to put our Province in that position which we all desire to see it occupy and which, sir, I think I can truthfully say it occupies to-day, certain expenditures of money are required. I think I can safely say that from the examination of the financial statement, which I have here in my hand, and which was submitted to this House, that the Treasurer may fairly congratulate himself that he has had in mind in the expenditure of last year, and in the appropriation of the estimates of this year, this very great and important leading feature which will appeal to every citizen.

Then, sir, this Province is growing—it is developing; and the expenditure which was quite sufficient a few years ago in my judgment, is insufficient to-day. (Hear, hear.)

I want now, sir, to direct the attention of the House and the country to two or three leading features of this budget which was presented to the House. In this financial statement—which it seems to me is of itself an indication of the excellent course pursued by the Treasurer during the past year and the very interesting presentation of the estimates which he has given to us for the year upon which we have entered—we find first of all that the receipts of the year exceed the expenditure by a very handsome sum of over \$400,000. We find we have gone through this year and have discharged all the liabilities of the year and have this much to the good.

This, sir, is something to be proud of. This is something that in any business institution, in any private business of any magnitude



would be considered to have been a great achievement to have so large a surplus on the year's transactions after making provision for all the services of the year. Then, sir, another feature which is worthy of comment is this : that the expenditure of the year has been less than was estimated. Now this is a very desirable thing if you have along with that—and I assume from the fact that we have had no discontent as to short expenditure throughout the Province in connection with our great public interests that the people are satisfied—that the Treasurer has lived up to his responsibilities and the expenditure has been equal to the demands of the Province although that did not reach, during the year, the amount the House was asked to vote and did vote.

Then, sir, on the year's operations, as I have said, we have a surplus of \$400,000, which, added to the general surplus we are carrying from year to year—and which has been heard of in this Province I believe once or twice in the past—(Laughter and applause.)—is an evidence, I think, of splendid financial management.

Some of us, who have had experience, in finances and in business, and who would look upon a statement such as this in a practical business way, must admit that the Budget gives rise to satisfaction in view of the splendid financial management of the Province.

### **No Charge of Wrongful Expenditure.**

Sir, there is one thing I am very proud to refer to. In this debate I have watched with great care the speeches made by honorable gentlemen opposite. I have listened to them with pleasure, as I always do, and have tried to find exactly what they considered to be the weak points in the financial position of the Province. I will refer to some of these a little later on, but I want to refer to this feature now, which seems to me a rather notable one. In watching the debate—and you will correct me if I am wrong—I have yet to hear one single Opposition speaker say that one single sum spent last year was improperly expended. It seems to me that this is the greatest possible tribute that can be paid by the Opposition to the financial management of this Province. I can see, sir, some reason why they are very loath to make specific charges against our expenditures. We know very well that all sums voted by this House are voted for some useful purpose. They effect some constituency in this Province and honorable gentlemen see quite clearly that if they object to certain expenditures here they will strike some people in some constituency or other who will not agree with them and they will run the risk of losing some votes when the general election comes along.

Mr. Matheson (South Lanark)—Would not that argument hold quite good in the expenditure of a million dollars?

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Mr. Davis—I think not, because if the honorable gentlemen opposite were as careful as they ought to be, and I believe they are trying to be, in watching the affairs of the country they would be able to point out certain expenditures that were not profitable in the interests of the people. My friend from Lanark has not made a charge of that kind simply because he cannot see a single expenditure that the people have not had full value for, and for which there was public demand.

Now, how has this money been expended? A large sum was expended for agriculture. Who wants to have that sum reduced? We all would like to have it increased and the probabilities are that that sum may be increased in the estimates of the present year. Then I realize that a large sum has been spent for education. Who complains about that? The poorest man in our land appreciates perhaps more than any other the very rich and ample provision made for the education of his children practically free of expense. I am safe in taking the position that honorable gentlemen opposite themselves approve of the expenditures made during the past year and which are recited in the statements presented to this House.

### **Who Retarded New Ontario Development?**

Now, sir, I want to ask the House to consider one or two points of criticism made by hon. gentlemen opposite. My friend from South Lanark (Mr. Matheson) made the statement that we did not discover New Ontario until 1901. I do not quite understand what he meant by that statement, but I will endeavor to give some reasons which perhaps he overlooked. If he means that New Ontario was not developed more rapidly in the earlier years than it was there are some very good reasons why that did not take place, and which I will refer to. And then my friend from North Ontario (Mr. Hoyle), who I regret to see is not in his place this afternoon, made a more emphatic statement. He said that we, on this side of the House, were guilty of neglect; that for 30 years no development had taken place in New Ontario, and it is only now, since Premier Ross assumed that responsible position, that we are having that enormous development. My friend from North Ontario stands, in fact, in wonder and amazement, and, after making that statement he asks "What were you doing?" Well, that is a very apt question. I think if he had considered the answer that could be made to that he might not have been so ready to ask that question. Let us look for a moment as to what we were doing, and what was going on for many years in connection with that portion of the Province of Ontario which gives us so much pleasure and pride to-day. Now for a number of years some of the gentlemen constituting the Government of the Province of Ontario years ago—and some of whom now constitute the Government—were fighting to hold Northern Ontario, 100,000 square miles of it—for the people of this Province. What course

were the hon. gentlemen opposite pursuing? Were they aiding in this struggle for the rights of this Province? Then, sir, after a number of years the struggle resulted in the taking of the case to the Privy Council in England, and the final and triumphant vindication of the rights of the Province to that territory. And when Sir Oliver Mowat returned from England after winning the suit of the Province we remember the celebration which took place and the public welcome which was given to him. (Applause.) You would think, sir, that that would have settled the matter, but friends of the hon. gentlemen opposite, at Ottawa, who were then in power, and who were able to do a great deal to add to the prosperity of Ontario or detract from the prosperity of the Province and its future greatness, they set themselves to work to take another attitude. What was that? They said, sir, that not one ounce of mineral or stick of timber could the Province have. "You have got the land; we are sorry for it; we fought you as hard as we could and cannot help it because the Privy Council decided against us; still, sir, we are here to see that you do not have an ounce of mineral or a stick of timber in all that vast territory." (Hear, hear.) Then the fight was renewed, sir, as the Government of the day would not sit down and accept that decision quietly. The fight continued and several years more were occupied in deciding as to whether we would have the timber and the minerals of the section referred to. Sir, is it any wonder that during the long period of years occupied in withstanding the Dominion Government in this matter, is it any wonder we could make but little if any development or progress in that section of the country? I was glad to hear my hon. friend from West Algoma refer to some of these things. He did it well and can speak with confidence of that great country, and to no one does the North Country owe more than to him for the efforts he put forth during all those years. Mr. Speaker that was not all we had to contend with. While this fight for the minerals and the timber was going on what else happened? The Ottawa friends of the hon. gentlemen opposite, who were in power, not only claimed they owned the timber, but started to dispose of it, and how? They disposed of vast areas of that timber, very many berths, of 50 square miles each, for the magnificent sum of \$5 per square mile ground rent and nothing more. These were handed out to their political and particular friends.

### Should Not be Lost Sight of.

Now, this is a matter that never ought to be lost sight of by the people of the Province of Ontario, and it is a fair answer to the representative of North Ontario who asks what were the Government doing during all these years. That is what we were doing. Fighting for the rights of the people. Then, sir, we remember that, in addition, the friends of the

hon. gentlemen opposite, during their closing years at Ottawa brought this country into very bad times and, under those conditions, it was not easy to attract immigration to our new lands. On the other hand emigration from this Province to the United States was more than ever noticeable during that period. All this tended to make it difficult to secure the settlement of that new country which the Government of this Province had secured for the use of the people of this Province for all time to come. It takes some time to change the trend of these things but now, sir, we are glad to be able to say that, since the settlement of that whole question of New Ontario, we have entered upon an era of development in that portion of the Province, a development which shows more and more progress as time goes on. Now, let us see what has been done. It is rather interesting to see just what has been accomplished during these years under such adverse circumstances. First of all we have an increase of population in that new country which is worth noting. I think one gentleman on the opposite side of the House rather questioned the figures given by the hon. member for North Oxford, (Mr. Pattullo), the other day, when he stated that there were now in the districts of Muskoka, Parry Sound, Nipissing and Algoma a population of 150,000. My hon. friend's figures were strictly accurate, in fact they were under rather than over the actual condition of affairs. We find that in 1871 in those districts there was a population of 15,728. Thirty years later, notwithstanding the difficulties which I have enumerated, and others which I could refer to if time permitted, the population has grown until, as shown by the last Dominion census taken in March, 1901, it had reached 145,577. And, sir, to my own personal knowledge there have gone into those districts during the past year settlers and their families in sufficient numbers to bring the census figures up to over 150,000. (Applause.)

Then, sir, there is another way by which we can estimate the progress and development of that new country. That is by a comparison of the transportation facilities enjoyed to-day with those in vogue a few years ago. In the year 1881, only 20 years ago, scarcely a speck in the history of a country, or in the national life of a Province, during that very short period the mileage of railways, which were only 12 in 1881, have reached 1,854. Muskoka and Parry Sound have 184 miles; Algoma, 537; Thunder Bay and Rainy River, 923; Nipissing, 210 miles. But, sir, that only speaks part of the volumes which one can speak with reference to the railway development in that section of the Province. We have at the present time several railways under construction or projected in New Ontario. There is the Ontario and Rainy River railroad, which was practically completed the other day, and at the ceremony of driving the last spike some of us had the pleasure of being present. Of that line practically 260 odd miles run through that great and important section of this Province.

That railway was aided by the Government of the Province, or by the people of the Province because it was the people's money, and the Treasurer is simply the trustee handling that money, as I have said before. It is true that opposition was made by hon. gentlemen opposite to that railway. They declined to vote a thousand dollars extra per mile which was required in order to put it in a position that the promoters might go on with the work through a country which presented great natural difficulties to railway construction. This side of the House believed that that expenditure would be a wise one in the interests of this Province, and the money was, therefore, voted, and to-day we have the advantage of a railway service in the opening up of that very large section of the country in the Rainy River district to the great benefit and advantage not only of the settler but of the people of the older portion of the Province as well.

### **Opposed Construction of Algoma Central.**

Then, sir, there is, in addition to that, the Algoma Central Railway, which is under construction; the Manitoulin and North Shore Railway, which is also under construction; and the Government railway to the Temiscamingue, which has been surveyed to some extent and in regard to which a bill is being brought down this session to provide for the construction. It is, sir, of great importance to show that there has been much development going on under difficult circumstances. Let me, therefore, show you what the Algoma Central Railway means to that section of country, and to the older districts of the Province as well. That railway, we all remember, was opposed by hon. gentlemen opposite from their places in this House, as they had a perfect right to do, taking a position which they thought, in their wisdom, was in the interests of the people of the Province. What was the result? We find that already, although only a very small portion of that line is completed, results have been achieved which have added to the welfare and prosperity of this country in a very marked degree. Let me give you an illustration. A little over a year ago some members of this House had an opportunity of visiting the town of Midland, situated in the constituency which has been represented by my hon. friend from East Simcoe. He voted against this railway, too, and yet he is proposing to be a candidate for a constituency in this new country through which the railway runs. I assume the people there will appreciate the assistance he has given them when they understand he opposed the construction of that railway on the floor of this House in the strongest possible manner.

Now, sir, what was done in one instance in connection with that railway? There is a great mine—a very large one, in the Michipicoton Division, the Helen mine—containing very valuable iron ore, the ingredients of which were superior to any Canadian ore which had hitherto been

found in the history of this country. And the result was that they built a portion of this line from the mine down to the bay and water front, and bought a line of steamers, which was a stipulation of the contract, and during these two seasons they have been shipping large quantities of ore to Midland. When we were present at Midland at the opening of the new blast furnaces, we found enormous quantities of ore upon the docks—ore from the Helen mine for the use of that smelter. Had that railway not been constructed, sir, how would they have got the ore down? The achievements of which Midland is so proud, and which have added so materially to the northern town would have been impossible had the hon. gentlemen opposite had their way.

Mr. Foy—That road would have been built without the bonus.

Mr. Davis—What authority has my hon. friend for making the statement that the road would have been built without the bonus?

Mr. Foy—The Hon. the Provincial Secretary, who stated that it was the greatest mine in the world, and therefore demanded and could have paid its way.

Hon. Mr. Davis—In reply to my Hon. friend's statements I must respectfully remind him that when the Algoma Central Railway bonus was under discussion, that it was shown him that this railway could not have been carried through that northern country without aid from the Province of Ontario.

Mr. Foy—I am speaking of that 12 miles.

Hon. Mr. Davis—Well that is only a very small proportion of this great railway which must be considered as a whole. And then, sir, not only that; there is another thing to be considered, too. With that one little link of railway they could only run their ore down a short distance each year owing to the close of navigation during the winter season. Now the railway will be used all through, and they will be able to get ore down from the mine throughout the entire year. In addition to the advantages of the road, the quality of the ore made accessible is of great value. Previously, owing to the quality, only 35 to 40 per cent. of Canadian ore could be used for the mixture required to produce the proper kind of pig iron, the balance being imported, but of this ore some 75 or 80 per cent. is used and they produce from that a very magnificent iron which is quite suitable for the commercial trade of the country.

### Enormous Mining Development.

Then, sir, this is only a feature of the developments that have taken place in that northern country during that time. We have enormous mining development which has gone on during the past few years in that



portion of the Province under great disadvantage. Some of us who have travelled in that country and visited various mines have wondered at the pluck and enterprise that many of these miners have shown in getting in, without any transportation facilities, heavy mining machinery at great difficulty and expense, to open up and develop the mines. Speaking of mining development, I want to say a word or two about the advancement of the Sudbury district where there has been a most extraordinary development during the past two years. Two years ago I visited that place and was there again quite recently, and the progress which I personally noted on the occasion of my last visit indicates conclusively that the output of ore and ore produce in that district has more than doubled in the last two years. As large a development has occurred during these two years as had taken place during the entire mining history of the district, and every indication points to the fact that that development will be more than doubled during the next two years. My hon. friend from South Lanark remarked that the expenditure has increased from year to year. Now, sir, as I stated a moment ago, it is not to be wondered at if the expenditure does increase somewhat. In fact, it ought to increase when we consider the enormous growth of the Province, and its requirements. What do we find when we appeal to the financial records from year to year? We find that the increase is very small when compared with the enormous growth of the Province, and the increased work which is being done. I had some figures prepared regarding the Crown Lands Department, which show the position as far as the staff of the Department is concerned. In 1873 there were 46 officers in the Department, permanent and temporary, and the salaries paid were, in the aggregate, \$46,313 annually. I find that last year, 1901, the number of officials, permanent and temporary, were 49, an increase of three, and the expenditure \$52,495—in 29 years an increase of only \$6,182 in connection with the staff of that Department. Now, the work has grown enormously, as all the members of this House know. Also several new branches have been organized, including Colonization and the Bureau of Mines, and the surprise is that the expenditure is so small when we consider the amount of work to be done.

### **Pine Far From Exhausted.**

We hear in this debate, and we have heard it before, that the timber in this Province is just about gone. I have heard that statement during all the years I have been a member of this House in every recurring Budget debate. Now, I want to point out again, what seems to me to be a very unpatriotic course with reference to the resources of this country. The statement made by Hon. gentlemen opposite, is that the pine is practically all gone, that almost everything was sold at the last sale.

These remarks go out through the country, and to other countries, and men who sit down in other Provinces and other lands and read the speeches made in this House by members of the Opposition and not knowing them as well as we do would probably accept them as correct. They will hardly be able to imagine that any man representing a constituency would make statements of that kind from the floor of the House unless they were absolutely correct and can be shown to be correct in every particular. (Hear, hear.) Now, sir, that statement is not correct. The pine is not nearly all gone. There is any amount of pine still in the Province of Ontario. We have, without pretending to go into statistics, in one large block, from three to five billion feet of pine. We have in connection with an area opened up by the Rainy River Railway, the completion of which was celebrated the other day, a district in which we have from 700,000,000 to 900,000,000 feet of pine timber.

Mr. Conmee—More than that.

Hon. Mr. Davis—Well I am very careful, Mr. Speaker, to be on the safe side. I would rather under-estimate than over-estimate in a matter like this. We are continually finding timber in areas where we were not previously aware timber existed. In other areas of the Province we have large quantities of pine, and so it is very unfair that members of this House should allow statements of that kind to go abroad which are not borne out by the records and the statistics of the Province. And, sir, in addition to the pine we have other timber of great value. Our pulp wood is of such enormous quantities that it will furnish a large and increasing amount of revenue, year by year, for practically all time to come. Why do I say this? In our recent explorations we have found about three hundred millions of cords of pulp wood, and those who are experienced in dealing with timber reserves tell us that pulp wood will reproduce itself in from 20 to 30 years. This being so we realize that with that very large quantity of pulp wood, it is advisedly in the interests of the Province to have it made use of as fast as practicable, and then, in areas unsuited to agriculture, it can be allowed to reproduce itself under our system of reforestry.

### Unpatriotic Attitude of Opposition.

I want to emphasize, as strongly as I can, that it is not patriotic, or in the interests of this Province that members of this House should misrepresent the position of the Province as far as our great and important timber resources are concerned. Now, as to the sale of timber, hon. gentlemen opposite complain. My Hon. friend from South Toronto, who is not in his place at the moment, was good enough to make use of the assertion that, if we had \$500,000 coming in as a bonus from timber sales last year, and

that was a good thing, all we require to do would be to sell a great deal more and get a million or a million and a half of dollars, and that would be even more satisfactory. Now I do not think that argument will bear investigation. It is like the argument that we might spend a million more dollars in the Province than might be necessary. It is not a good or wise thing to sell timber if it is not in the interests of the Province to dispose of it. Why is timber sold? Not primarily for the purpose of obtaining revenue. Most of the timber sales have taken place when bonuses from this source were not required in order to keep the finances of the Province right. They are sold, on general principles, for specific reasons which seem to the trustees of the people, for the time being, in the interests of the Province. What are those reasons? To prevent loss by fire is one of them. It is not because timber has been burnt over always, but to prevent fire. Prevention is a proper course to pursue and a wise man will look ahead and see whether there is any danger to the timber in certain districts of the Province owing to the development which is going on, and if they believe that there is imminent danger of this timber being lost that is the proper time to dispose of it by public auction and realize the revenue from it for the people. Railway development is one of the great dangers and it is well known that during the last three or four years there has been unusual activity in railway construction in that portion of the Province. This has caused two sales of timber to take place since I have had the honor of holding the position which I now do, being responsible to some extent for the conduct of timber sales in connection with that Department, and I say, without hesitation, that, in my judgment, I could not justify myself before the people, with the information I had at hand, had I not brought to the attention of my colleagues the importance of disposing of certain timber which was imminently in danger of being destroyed by fire from railway construction, and also owing to mining development and exploration going on in these districts.

### Echoing Tramp of Settlers.

But, sir, in addition to these two features to which I have referred, there is another which also has a bearing upon the disposition of our pine, and that is the echoing tramp of settlers. And there never was a time in the history of this Province when that tramp was heard more emphatically and more steadily than during the past two years. And we can say, sir, from the information that comes to us from our Colonization Branch, that this year is going to be a banner year as far as the settlement of Northern Ontario is concerned. (Applause.) Let me ask my hon. friends this question in connection with the disposition of the pine. Suppose we allowed railway construction to come up to our pine areas? Suppose we allowed mining development and settlement in among our valuable pine deposits and then there was a large fire and the destruction of millions and millions of feet of pine timber, would not hon. gentlemen opposite be loud in their denunciation of the Government for neglecting to do that which plainly was in the interests of the people? We realize

what their criticism would be in a case like that, and it would be a just and fair criticism, too. It is our duty to dispose of impetilled timber and realize the revenue therefrom.

Mr. Foy—Does the purchaser know of the danger as well as the Government?

Mr. Davis—in reply to my honorable friend, I think I can safely say there is not a more shrewd, calculating set of business men in the Province of Ontario than the lumbermen. They examine these berths carefully when put up for sale and they bid upon them up to the very last cent at which profit can be made out of handling the timber, and they know the risks from fire just as we know them.

I said a moment ago that moneys received as bonuses, in my judgment, ought to be placed among the ordinary receipts of the year. I know, sir, that in making that statement I am opposing a principle laid down by the Hon. gentlemen opposite, but I submit, sir, that their theory, which they announce to this House, that the bonus on timber sales should not be considered as ordinary revenue, proves too much for them altogether.

Mr. Carscallen—Will the hon. gentleman explain what is meant by "bonus" on timber sales.

Mr. Davis—Hon. gentlemen opposite will remember that when timber sales are held the Crown Lands Department survey the area to be sold into berths, each berth being designated "A," "B," "C," "D," or whatever they are called. The reports of the timber estimators with regard to each of these berths are forwarded to the department. The sale is advertised to take place on certain days. We take the estimates of timber and figure out what we think is a reasonable price for the first right to cut timber off that berth. This figure is set down as the upset price. When the day of sale comes if that price is not reached the limit is not sold. What is meant by timber bonus is what we get for the first right to cut. There is a lease made for a year from the 1st of May in each case, and when they begin to cut they pay dues at the rate of \$1.25 per M. feet, and a ground rent of \$3 per square mile. The bonus is merely the privilege they buy in public competition for the first right to cut on that territory.

### Ordinary Account vs. Capital Account.

Now, as I said before, the argument of the Opposition, with regard to the revenue derived from the sale of limits proves entirely too much for them because if they say that pine timber is capital, and the bonus is capital, and ought to be placed in a separate account, called the Capital Account, then the dues which we receive for this same timber ought to be placed in this same way, because it is part of the price of timber as well, and it is part of the capital, if you call it capital, and all these dues should be set apart in some other account should that argument be held to be sound. But, sir, it is very unsound in my opinion. It is not logical because timber is not capital, for two reasons. First of all we have no capital account in keeping the books of the Province. In the Dominion they do keep two accounts, a capital account and an ordinary account. They are kept separate and all their expenditures for the construction of public works, &c., are added to their capital account as liabilities. We do not

do that and you take the statement which I have in my hand and hon. gentlemen will see that while we have received a certain amount of money as bonus on pine timber which has gone into ordinary receipts, there has been paid out on construction account for buildings, &c., \$194,000, retiring annuities \$200,000, and certain other expenditures, properly capital expenditures, if you are going to deal with it in that way. And they will equal, if not exceed, the amount received by bonus. But sir, how do other Governments deal with these amounts received from timber? Hon. gentlemen on the opposite side give us no reason why these amounts should be placed on capital account and I have not yet had an illustration from their side of the House where any other government has adopted such a course as that. I find that Nova Scotia, when Sir Charles Tupper controlled the destinies of that Province, during the time he was Premier, pine timber was sold and the amount received went into the ordinary receipts of the year. When their friends were in power in the Province of Quebec they sold timber and on examining the accounts you will find that the receipts of all these sales went into the revenue of the year during which these receipts were received. Then take the Dominion Government when the friends of the hon. gentlemen opposite were in power. They sold some timber, too, and hon. gentlemen opposite will find that the receipts went into the ordinary revenue of the year, although they have what we do not have—a capital account. I therefore submit on these grounds that such arguments ought to be dropped from the discussions on the floor of this House. But sir, there is another reason which, to my mind, of itself alone is sufficient to annul the arguments. Timber is not capital. Timber is simply the first crop on that land and when that crop is taken off the ground produces something else. We know that in old Ontario the timber was cut down and destroyed for the purpose of reaching the great capital—the land itself. And that land is adding millions and millions of dollars to the wealth and prosperity of this country from year to year. (Applause). And, sir, this applies to all classes of land upon which our timber grows. If it is agricultural land settlement comes in and we have a second capital producing crops year by year. But even in areas not suited for agricultural purposes, in my opinion, the argument is just as good, because these are the areas we are setting apart for the purpose of reforestry and the pine will again be valuable, although it will take a longer time to reproduce itself than it would in the case of pulpwood, which reaches maturity in a much shorter period. Strictly speaking, then, our timber is not capital; it is only a first crop. It will, as I have said, take a very long time to reproduce a crop of pine, and a shorter time to reproduce a crop of pulp wood, but the soil will continue to produce these crops.

### The Government's Timber Policy.

Now, hon. gentlemen opposite emphasize in this debate, as they have emphasized in the country on various platforms, that the timber policy of the present administration, which is working so satisfactorily, and which is of so much advantage to the people of the Province, is really their property, and that we have stolen it from them. Now, sir, I want to take issue with that statement in the strongest possible manner. I claim, sir, that they have no right to this policy and we have not stolen it from them. I propose to refer to the records of this House and think I can

show in a satisfactory manner that they have no right to make that claim. What is the situation of that question? The first time in the history of this House when any definite action was taken with reference to compelling the manufacture of saw logs into lumber in our own country was in the year 1890, as part of the Government policy. Now, if Hon. gentlemen opposite who will follow me in this debate can read from the journals of the House a resolution that they submitted to this House previous to 1890 stating that that was their policy and urging it upon the Administration of the day by whom it was voted down, then I would be very glad to give them credit, which I cannot give to them under the circumstances as they really exist.

Now what do we find? I submit, sir, that the only way to announce a policy that you can stand by, and which will have any weight, must be by a resolution placed before the House, or by the Government of the day by Order-in-Council of that Government in legal form and placed upon record which can be reached. Making statements in all kinds of speeches at any time as in the past, is not a definite announcement of policy. A great many things are said in speeches and I would be very sorry, indeed, to hold hon. gentlemen responsible for a great many of the statements made in their speeches during the last two years. No doubt they are made in a period of political excitement because if those statements were correct the majority of us on this side of the House would be in prison at the present time instead of in the Legislature. In 1890 the late Hon. A. S. Hardy, one of the most distinguished public men this Province has produced and who was Commissioner of Crown Lands at that time, decided that it was in the interests of the people of the Province to sell certain timber berths, and also decided that in the sale of that year a clause should be inserted in the regulations governing the sale requiring that the logs cut on the area sold should be manufactured into lumber in Canada. That is the first time that a policy of this kind was announced and put into operation by this House. That sale took place.

My hon. friend, the leader of the Opposition, spoke in Victoria Hall in this city, on September 4th last, and enunciated what then was supposed to be his policy, or the platform upon which he was then to appeal to the country, and I have no doubt it was prepared with great care and consideration and with such due thought and deliberation as a leader of a great Party would be expected to give to an address of that kind. I am not so sure now, from certain indications which are abroad, that this is to be the policy upon which my hon. friend intends to appeal to the country. There are some signs that this policy is not considered to be quite adequate for the work in hand and that another policy is now to be formulated upon which he will appeal to the people. This, I may say, is the right and privilege of the Opposition. We welcome any policy or suggestions which they have to make, only hoping that they will be in the interests of the people of the Province, and we are prepared to meet these several policies as they come before us from time to time.

### **Mr. Whitney's Poor Memory.**

Now, I see that my hon. friend, in this speech, claims for his side of the House, the responsibility for this timber policy and he tells us, speaking of this sale of 1890, that the Government "In one sale imp. . . condition that the logs sold should be manufactured in Canada, or (



—I forget which." With all respect will my hon. friend allow me to suggest that in his responsible position of making an announcement of the platform of his Party the people would reasonably expect that he had given close enough consideration to an important matter of this kind to know definitely whether that motion did mean Ontario or Canada, because, in my opinion, there is a very great difference between the two.

Then the hon. leader of the Opposition goes on to say: "What was the effect? All the timber limits to which this applied, except two or three, were situate north of the height of land and unless you took the sawlogs to Michigan in a balloon they never could go there. So that there was no danger. There were no speculations to get annoyed at all; it was all lovely, and the Government members nudged each other in the ribs and said, 'What art fellows we are.'"

Now what are the limits? The limits sold at that time were largely in the Rainy River section and it was quite true that they could not very easily go to Michigan. They were all along the border of the State of Minnesota and were in a district of the Province where it was very desirable that a clause like that should be inserted in the agreement, in order that no disposition of them could be made other than in conformance with this new policy of the Government.

Then the next feature we have to deal with in connection with the timber policy is a motion which we find in 1893, which is quoted by Mr. Whitney in his speech. Now this is the first motion that I am able to find in the journals of this House giving any indication of the views of the Opposition on the timber question. This was moved by the member for East Simcoe, Mr. Mincampbell, in the year 1893, and it reads as follows, "As this House disapproves of the policy of the disposition of timber reserves of the Province without its approval being first obtained." Now, you will see the feature that is expressed in that policy. By this resolution, before any timber could be disposed of at any time by public auction, by the Government of the day, it would be necessary that that should be submitted to the House and receive its approval before action could be taken. As was pointed out very properly by the member for West Algoma the House is only in session once a year and many months elapse between sessions. There are oftentimes, where timber is damaged by fire, that the timber should be sold promptly in order to prevent its destruction by worms and becoming practically useless. Thus we could not support that feature of the resolution. Then the resolution continues: "And is of the opinion that the right to cut timber upon the present reserves should be sold under such conditions as will insure the manufacture of the timber cut within the Province." Now, I would like the House to notice that statement "within the Province." This could not be worked out without difficulty. We do not desire to raise a Chinese wall between the Province of Quebec and the Province of Ontario with the long river line dividing the two Provinces.

### Would Antagonize Quebec.

What would the result of that be? It would mean that certain mills situated within our Province but receiving their logs from Quebec, and some situated in the Province of Quebec and receiving their logs from Ontario, would be affected, and the Province of Quebec would naturally feel

that they had a perfect right to retaliate against this Province in similar matters of trade. This was a very strong argument to the House during the debate upon the resolution, which concluded as follows, "And more effectually guard against the unnecessary cutting and destruction of the small timber growing on such reserves." Now that is a different feature altogether. In that resolution of 1893, the member for East Simcoe does not make any provision except for the disposition of the timber sold in the future. Now that policy had been in operation since 1890, was put in operation by the late Hon. Mr. Hardy when Commissioner of Crown Lands, so that that resolution did not do any more than confirm what we were already doing and included the very narrow stricture with reference to Quebec which I think we will all agree was very unsound. Now, in the year 1892, when the next timber sale took place, the condition of things was a little different. A few months after the sale of 1890 an arrangement had been arrived at between the Dominion Government, represented by Sir John Macdonald, and the United States Government, with reference to the distribution of logs and lumber. A mutual agreement had been reached. The two countries had been fighting this question of export duties on logs and lumber between Canada and the United States for a number of years. Sometimes the Dominion Government duty on logs was \$2 a thousand and sometimes \$3 a thousand, and at other times were exported free, and the American Government charged a duty on lumber from \$1 to \$3 a thousand. However, they came to a mutual understanding in the fall of 1900 when it was agreed that the American Government should charge \$1 duty on lumber going from Canada to the United States in return for which the Dominion Government agreed to take the export duty entirely off logs, and that was the condition of affairs in 1892 when the Hon. Mr. Hardy had to deal with the next timber sale. What was he to do? Was he to put in the condition as to manufacture in Canada his settled policy in the sale of 1900 and violate the agreement between these two Governments in opposition to the policy laid down by the Government of honorable gentlemen opposite in the Dominion? He thought that would not be a proper thing to do, and there was another reason, too, which strengthened his view in that respect. The timber berths which were to be sold in the 1892 sale were berths upon the Ottawa river, the logs from which could not be shipped to the United States to advantage, as these logs in the sale of 1890 might. As a result he concluded that it would be in the interest of the Province and the country not to place that restriction in this sale. And what has been the result of that sale? The sale was held, and although an increase of 25 per cent. was made in the timber dues, the largest price ever obtained was paid as a bonus and, of the 630 miles sold, 78 miles went to Americans, and from this 78 miles to this day not one log has been cut for exportation. One Canadian, who purchased a four mile limit, has sold five millions of feet for export, and this is the entire quantity which has gone out of territory included in the timber sale of 1892. So that the position practically was maintained from the fact that timber berths were sold in a region where they could not be profitably exported to the United States. Now, then, what was the next move? I have given you the motion by the member for East Simcoe in 1893. Then there was another motion in 1894 by that honorable gentleman and these seem to be the only two resolutions that I can find in the journals of the House from the

opposite side, previous to the motion they made in 1897 dealing with this question. I was somewhat surprised in looking over the speech of the Honorable the leader of the Opposition that I was unable to find the second resolution moved by his colleague quoted in that speech. But when I came to turn it up I understood exactly why it was that it had been omitted.

### Why Mr. Whitney Kept Quiet.

This resolution of 1894 reads as follows. Before quoting this resolution it may be just as well to state that it was moved, when the House was going into Committee of Supply, as an amendment, which practically was a want of confidence motion. He asked that "all the words after the word 'that' be struck out and the following substituted therefor, 'this House disapproves of the large expenditures which are annually made by the Crown Lands Department for surveys amounting to upwards of \$35,000 per annum.'" Here I find that gentleman striking New Ontario again, as the Hon. member for West Algoma pointed out the other day. Here we find him objecting to the expenditure for surveys in that portion of the country. How he will explain to the people of East Algoma where he is now a candidate, the votes he has given on this and other questions opposing the development of New Ontario it is difficult to understand. The resolution further "regrets that the Executive and the Department persist in the practice of disposing of the Crown timber reserves of the Province without consulting or obtaining the approval of the representatives of the people in this House, and wholly fail to take any adequate steps for preserving the standing timber, and especially the smaller trees from unnecessary waste and destruction; and this House deplores the improvidence which characterizes the management and disposal of the timber upon these reserves, which has destroyed in many parts of the country, the sawmilling industries which flourished there, and has transferred the business which they formerly carried on, in the State of Michigan and other States of the neighboring Republic, and is fast depriving the Province of its most valuable asset, and one which, if adequately and intelligently cared for, safeguarded and managed, would continue to furnish a large revenue to the Province for years to come, but which, as now mismanaged, is rapidly disappearing."

Honorable members of this House will note that in that resolution there is no one portion of it which deals with the compulsory cutting of logs into lumber in Canada. That is entirely omitted from the resolution as it was omitted also from Mr. Whitney's speech and therefore has no bearing upon the question of the sawlog policy of the Opposition side of the House.

Now matters remained in the condition which I have stated and in every succeeding timber sale from 1890, with the exception of 1892, when a clause was placed in the conditions stipulating that the logs should be manufactured into lumber in Canada. This brings us down to the time of the Wilson Bill when the Democrats of the United States were successful in their election and one of their leading members, Mr. Wilson, framed a new tariff for that country. In that tariff he dealt with the lumber interests and then it was that an arrangement was made between Sir John Macdonald and the President wherein he dropped the \$1 per thousand off all Canadian lumber entirely, and we had reached a position, in 1895,

where we had free logs for free lumber, which was entirely satisfactory to the people of this Province. But, sir, as a result of the election in the United States in 1896 the other Party came into power, and then we find under Mr. McKinley another tariff framed by Mr. Dingley, which tariff put another phase upon the whole situation with reference to our timber matters as far as the Province of Ontario and the Dominion were concerned. He stated in his tariff that \$2 per thousand should be imposed upon all lumber going from Canada to the United States. And then, sir, further than that, he not only made their tariff but had the audacity to say to the people of Canada, "We will make your tariff also and if you presume to put the export duty on logs to protect your lumbermen's interests, and the interests of the working men of Canada, then I will add that amount automatically to the duty on lumber and increase it by that much." That meant that if an export duty of \$2 was put upon logs there was an import duty of \$4 on all lumber going to the United States. These changes took place during the fall of 1897. The Government led by Hon. Mr. Hardy then took up the matter to consider what course they could take and as a result of careful consideration they passed an Order-in-Council which made provision that from the 1st May following, that is from the time of the expiration of the leases, then in force, all the logs cut on Crown Lands in this Province—it mattered not when they were sold—should be manufactured in Canada. This was passed in by Order-in-Council in the fall of that year.

### Opposition's Significant Silence.

I want to point out a very significant thing with reference to the attitude of honorable gentlemen opposite through those very trying months when the people of this Province were very much concerned especially the workingmen in the northern districts being in doubt as to their future prospects. Hon. gentlemen opposite held a series of meetings during that summer beginning I think in the month of June, when the hon. the leader of the Opposition addressed meetings in all parts of the Province announcing his policy and discussing public questions. He was aided by a number of other gentlemen on that side of the House and I ask these gentlemen to turn up the newspaper reports and in any of these speeches during these months when this matter was of so much importance to the people of this Province, and quote me a speech where the leader of the Opposition stated he was in favor of compelling all logs cut in this Province on Crown Lands to be manufactured here and not exported to the United States.

Mr. Foy—Does the hon. gentleman read the opposition speeches?

Mr. Davis—Certainly, we follow the speeches of the hon. gentlemen opposite with great interest. We are often disappointed at the barren policy they submit to the people. (Laughter.) Now, Mr. Speaker, that is the position of the timber question down to the time the House met in December, 1897, when in a Speech from the Throne or the Address to the House on that occasion it was stated that among the other Bills to be brought down would be one dealing with the timber of the Province. This was an intimation to the House that the Government had considered this matter and were in a position to submit during that session their policy to the House. Now what happened? When the debate on the Address took place on that occasion hon. gentlemen on that side of the House moved an amendment, and this amendment expressed regret that

we had not announced that we were going to pass an Act dealing with this question, although in the Address a statement was made that we intended to deal with it. As a result this was voted down and it was a vote of want of confidence. In the debate which took place the members of the Government explained that they proposed to deal with this question and that their Bill would come down in due course and they would be responsible for the policy which they had decided upon. Then a little later on in the session the policy was announced, and that policy was the result of the Order-in-Council which had been passed several months before which stated that after the 1st May following all the logs cut on Crown Lands must be manufactured into lumber in Canada.

### Opposition Would Violate Contracts.

Now there was a resolution moved by hon. gentlemen opposite when this Bill was under discussion in the House, and I see that the leader of the Opposition has referred to that and placed very unfair interpretation upon that amendment. Hon. gentlemen opposite moved an amendment which expressed their policy to be that this should go into operation immediately, that is as soon as the Bill became law and prevent the exportation of logs that were cut under the leases which were then running and would expire April 30th, 1898. The Government of the day took exception to that and said that it was un-British and unfair; that if there is one thing in British institutions we were proud of, when we looked to the Great British House of Commons and House of Lords, which is our example in legislation, we are unable to find in these great Legislative Chambers of which ours is a model, that at any time in their glorious history they have so far forgotten themselves as to treat unfairly any person with whom they had entered into solemn contract. Now, we hold that when a license is issued for the year the conditions which prevail in that license must not be altered in equality and fairness until another license is issued, which would occur on the 1st May following, at which time other conditions might be placed therein, if it was thought desirable in the public interest so to do. Sir, on this fair, equitable, British policy the Government of the day stood and declined to accept an amendment of that kind. To illustrate, it would be like a man renting a farm for a year and, in the middle of the lease, to put in additional terms, increase the rent, or add some other stipulations which would be unfair and increase the burdens of the man who obtained the lease. The House approved of the policy of the Government and the country approved of the policy of the House in that respect, and often in discussing that feature in a great many public meetings, in the campaign which followed that session, I have had Conservatives as well as Liberals, express the opinion that that was a fair position to take and that no one ought in fairness to attempt to step into the middle of a yearly lease and impose new conditions.

Now, the policy of the Government is perfectly clear. They were the originators of that policy in 1890. I have traced it from that time down and read to you the only two resolutions—1893 and 1894—bearing on these questions which have been introduced by the hon. gentlemen opposite, and neither of them apply in entirety to the matter at issue. As I say, I think the case is perfectly clear, and the hon. gentlemen opposite are not entitled to any credit whatever for the timber policy which has been in

operation to the great advantage of the people of this Province and this country for some time past.

### Settlers and the Timber.

The House then adjourned, and Hon. Mr. Davis continued his remarks after dinner in the evening in the following strain :—

“ Mr. Speaker, when the House rose at 6 o'clock, I was about to take up a question which had been raised by several gentlemen on the opposite side of the House during this debate, criticising the position occupied by new settlers going into our new territory. The hon. member for South Lanark (Mr. Matheson) made a statement that settlers got no encouragement, that the lumbermen, and the railways and those who had the pulp concessions got everything there was in that new country. The hon. member for East Victoria (Mr. Carnegie) made a statement that the settlers didn't get even the timber, other than the pine. While he recognizes the fact that it was a proper position that they should not obtain pine, still he claims that they didn't even get other timber, and he instanced a case which he said occurred in connection with a settler, under a license owned by Messrs. Rathburn & Company, in that county. This statement, it seems to me, left a wrong impression upon the House, and a very wrong impression upon the country, and if reported abroad will be very damaging to the interests of this Province when inducing settlers to come and take up the splendid land which we have to offer them in New Ontario. Now, sir, I propose to try, as briefly as I can, to show what the position of the settler is. In the first place, it is correct to say that the lumberman gets no more than his rights under the law and regulations from the Government of this Province. They get justice; they are entitled to justice. They have their rights; they are entitled to these rights, and so long as I have the honor to preside over the Crown Lands Department, just so long will I, to the very best of my ability, see that they get all the rights to which they are entitled and nothing more. The settlers also have their rights, and their rights are protected by the regulations of the Government, and the Government is just as anxious that the settler should enjoy every right to which he is entitled as any other class in the community. It is not right, it is not correct to say that those who obtain the pulp concessions at all the land and privileges there are in the sections of the country where these concessions exist. And it is not true to say that the railways also exceed the privileges given to them by law and by the regulations of the Province. Now, what is the position of the settler in our new country? It is to be borne in mind that there are in different sections different conditions existing under the law. Previous to 1887, and including the timber sold that year, the lumbermen at these sales bought the right to cut all the timber for the years then sold. After 1887, in the succeeding sales, they only bought pine. So you will see that there are different conditions existing, and in some sections where the old licenses continue in force, a great deal of difficulty and more or less friction has occurred between settlers and lumbermen during the years that have past, with reference to timber other than pine. Now, the course pursued by the Department in these cases is simply this :— We encourage settlers to come where there is good agricultural lands and only there, because we have ample good agricultural lands for them to settle upon. Then if there is



a dispute, and they desire to take up a lot in a licensed area that was sold when the regulations gave to the licensee all the timber, and there is a dispute between the licensee and the settler as to whether he should be located or not, it is the practice of the Department to send one of our men—a man of skill, and experience, and judgment—to examine that lot and make a fair, accurate report to the Department as to whether it is good agricultural land, suitable for settlement or otherwise. If it is suitable for settlement, we allow the settler to be located, and the moment he is located under the Act then he becomes entitled to all the timber on that lot, except the pine. A great deal of difficulty existed in the past with reference to settlers, or alleged settlers, trying to locate upon lands unfit for agricultural purposes, their only object being to obtain the timber, dispose of it for a trifle and move away. In these cases the Crown has lost all the dues. The lumbermen who bought that timber would be deprived of it, and the settler would probably go on to another lot and try to repeat the operation. This was bad for the lumbermen, and bad for the settler, because they were not actually bona fide settlers who took this course. Then, sir, when pine only was purchased by the lumbermen, this difficulty ceased to exist to some extent.

### Advantage of Recent Legislation.

There is another feature which has been introduced during the last two sales which will materially aid in reducing to a minimum the difficulties between settlers and lumbermen and thus aid in the rapid settlement of the Province. In the last two sales a new condition was inserted which had not existed hitherto. That was that a limit of ten years are given for the licensee to get off his pine. After that if pine is still left on the area it reverts to the Crown, the licensee having no more right to it. You will see the advantage this is to settlers. You will see that in ten years the lumbermen's interests are entirely removed from those sections which are open for settlement to the fullest possible extent. But lands are always open to settlers if it is found upon examination that it is in the public interest to locate them, and he obtains all the timber excepting the pine on these areas, and whatever pine is necessary for him for home-steading purposes.

Now, in order to give the House and country a little idea of the advantages by way of the timber, each settler in our new section of the Province obtains all the money which they derive from the sale of timber, other than pine. I would like to read you some of the figures with reference to the Rainy River section. In that district, beginning with 1893 I find, taking the years intervening from that time to the present—about eight years—that settlers in that district have received in connection with the timber sold off their lands a total of \$141,404.24 in actual cash. This timber they took from their locations in the regular process of clearing, and include railway ties, posts, telegraph poles, etc. In addition to that, they realized \$62,500 for their cord wood, making a total in cash during these few years of \$203,800, all of which has gone into the pockets of the settlers of the Rainy River District. Now, this is only an indication from one section of the Province of what is going on in all parts of the Province. Therefore it is not fair to our Province, it is not fair to the country, it is unfair to the efforts we are putting forth in order to induce settlers from abroad to come to our fertile land, if statements such as

those emanating from the opposite side of the House, as have been coming from that quarter during this debate, are permitted to pass unchallenged. I want to say that in comparing the advantages offered in Ontario with those offered by the various States of the American Union—and I have had the conditions compared very carefully—I am sure that we have in this Province better opportunities for settlers, greater inducements to offer them, greater advantages, in fact, than can be offered by any State in the Union, or by any other Province in this Dominion. (Ministerial Applause).

### The Provincial Surplus.

Hon. gentlemen opposite have, during this debate, informed us, as they have informed us in debates of a similar character in the past, that our surplus was not correctly stated. I have just one or two words to say with reference to that. They also condemn the Commissioner's report which deals with the surplus and general expenditure and receipts of the Province covering a good many years. Now, sir, I find in examination the statement of the Royal Commission and examining the budget statements for the past few years as issued by the Hon. the Treasurer, the financial statement as approved and endorsed by the auditor of this Province, that I am unable to find the discrepancies of which hon. gentlemen opposite complain. And I am unable to find that at any time during these years that the surplus was improperly stated by the Hon. Treasurer of this Province in the annual statement presented to this House. Now, sir, what are the facts during these years? For a considerable time the Treasurer made his statement showing a surplus of assets over liabilities presently payable. There was no statement made in the Treasurer's return, up to a certain period, of the railway liabilities. It was not pretended that there was not other liabilities and the statement itself simply said that the liabilities presently due amounted to certain sums of money. I find in the Statistical Year Book for 1900, page 491, a table of figures which are said to be a statement of the debts and assets as compiled by the Royal Commission, and in comparing these years with the statements by the Treasurer I find that they practically agree.

To illustrate, the report of the Royal Commission, which I have in my hand, page 29, states with reference to the year 1899, that the total treasury assets amounted to \$7,393,462.74; the total treasury liabilities were \$5,124,963.30. And then they say—this is the Commissioner's statement—that there is a surplus over all liabilities of \$2,268,498.44, and this practically agrees with the Treasurer's statement for that year.

Now, we have the Treasurer's statements certified as correct by the Auditor from year to year. Then as a result of an examination of the Provincial accounts by the Royal Commission, composed of experienced financiers, these statements are confirmed. Still hon. gentlemen opposite continue to tell the country we are hopelessly in debt, without giving one tittle of evidence to sustain their unpatriotic assertion. Under such circumstances the House and country will prefer to take the opinions of the Treasurer, Auditor and Royal Commission to be correct.

Now just a word or two, with reference to that debt, the railway debt. At the end of last year, if liquidated, it would cost \$3,510,790 to accomplish that end. There is money enough in the Treasury to do that and have the surplus which I have already indicated. But, sir, there is

this point to consider: Is that an unreasonable liability for this Province to have? Is it not a magnificent statement which we have to present that millions of dollars have been paid in cash during the last 25 or 30 years for railway construction? These railways will not require any further aid from the Provincial Exchequer and we have to-day only a very small liability against a great Province, with all the great public works which we have undertaken and carried to a successful issue. Let me give the hon. gentlemen just a figure or two to show how we compare with other places where they have public expenditure to incur. Take the city of Toronto, and that for the most part has been managed by friends of the hon. gentlemen opposite—and I am not saying anything at all to their disparagement when I quote these figures, because I have no reason to doubt that they managed the business prudently and reasonable well. In 1878 Toronto's liabilities were \$6,853,925. In 1898 these liabilities had grown to \$23,853,793, while in this great Province, with all that we have to undertake, our liabilities amounted to only \$3,203,000 at the end of last year. (Ministerial applause.) It is a reasonable thing that posterity should pay a certain amount for the construction of these railroads of which they will get the advantage. We have paid millions of dollars of railway subsidies in cash, as I have already said, and posterity should pay their share. It is therefore not unreasonable that they should be paid by degrees during the years to come.

### Pine Timber Regulations.

Now, sir, I want to say a word or two with reference to the amendment moved by the hon. gentleman from East Simcoe. I exceedingly regret that he is not in his place to-night. There are some questions I would have liked to ask him had he been here. First a word or two with reference to his speech. I have it as reported in the Mail & Empire, which seemed to give the fullest account. I had not the pleasure of listening to it as I was unavoidably absent from the House that night. The account is somewhat meagre but there are one or two things in his speech which I would like to have brought to the attention of the House and ask an explanation from him with reference to it. Speaking of settlers, he said, "If there was 10,000 feet of pine upon a location I would give it to the settler." Now, I would like to state, for the information of the House, just what the regulations provide with reference to the settlers and pine and other timber also, which they are entitled to without payment of any dues. The Free Grant locatee, or settler, has the right to take and use whatever quantity of pine timber he requires, for building or fencing purposes on his land, free from any charge whatever, whether the land is licensed or unlicensed. He also has the right to cut and dispose of as he sees fit, all pine trees which he may require to remove in actually clearing his land for cultivation. If he uses the timber for building purposes upon the land he gets it free, but if he sells it to lumbermen dues of \$1 per thousand will have to be paid. The pine timber is reserved in the patent but the settler is given a refund of one-third of the dues collected on timber cut on his land after the 30th April next after the issue of patent. With respect to the timber other than pine, the locatee has the right to cut and dispose of all kinds of timber on his land free of any charge whatever as soon as he has resided on his land for 6 months, has a house erected, and two acres cleared.

In the Rainy River District a little different course is pursued. There a free grant settler gets the pine on the 30th April next after the issue of the patent. I believe the reason for this distinction in respect to free grant settlers in the Rainy River District was that there was understood to be, as a matter of fact there is, very little pine timber in the free grant townships and it was concluded that the settlers would not have more than was necessary for their use for building purposes if they got all that was there.

### Mr. Miscampbell's Power Motion.

From these extracts from our Regulations it is easy to see that the settlers get a considerable quantity of pine in connection with his clearing, and all he requires for fences, buildings, etc., on the land. Now in further reference to Mr. Miscampbell's amendment, first of all let me state that this is a want of confidence motion. It is brought at a time and in a place where no alteration can be made and no amendment moved, viz.: going into Supply. That means a general condemnation of the entire policy of the Government,—means in fact that they are unfit longer to be entrusted with the responsibilities of management of the affairs of the people of this Province. Now what does the honorable gentleman mean by this resolution? I would like him here to explain the resolution. I will read it in sections, and try to examine it as we go along. It reads that "In the future agreements made between the Commissioner and the Queen Victoria Niagara Falls Park, and any other person or persons, power shall be reserved to the Provincial Government to at any time put a stop to the transmission of electricity or pneumatic power beyond the Canadian boundary."

Now, this amendment does effect the present agreement but I find, on looking up the agreements of the Niagara Falls Power Company, that even although this agreement (which passed the House unanimously) was made some little time ago when perhaps no one fully realized the wonderful development that would take place in a few years with reference to electric power, that even in that agreement this point has been covered to a considerable extent. Under it right has been reserved for the supply of power to users in Canada to the extent of no less than one half the quantity generated and at prices not to exceed that which is charged consumers in the States. But, sir, under the water power regulations which were framed by my predecessor in the Crown Lands Department, the Hon. the Attorney General, great power has been taken and is being used, as I will illustrate shortly, in the leasing of the waterpowers, which completely cover, I think, that particular point in this amendment. All the different clauses in the regulations will be very instructive reading but I shall not take up the time of the House by reading them all. Clause No. 7, however, reads as follows, "On approval by the Commissioner of Crown Lands, on an application for a water privilege, he may order a lease of the same to issue therefor, such lease to be for a term of ten years with the right to renewal for a further period of another ten years, at the same rental if the covenants and conditions have been performed and fulfilled, and thereafter with a further right of renewal for a term of 20 years upon such terms and conditions, and at such rental as may then be provided by law and regulations." Now, in working this out what do we do? We have one or two cases on the boundary line. For instance,

we are in negotiations in connection with the waterpower at Fort Frances. That is on the boundary line between the United States and Canada, in a somewhat similar position, to Niagara Falls. This power at Fort Frances cannot be developed to its full extent without the united efforts of both countries and the use of both sides of the river. This means that it is necessary that there should be joint action on the part of whoever owns the power on the American side and the leasee on the Canadian side. Now, in our negotiations for development of power we have stipulated that one half of the power generated shall be used on this side of the line. In this particular case it happens that we are getting a greater advantage because the nature of the power is such that the development must largely take place on the American side.

Then we have negotiated a power recently between the Province of Quebec and the Province of Ontario, and in that lease I stipulated that the whole power shall be developed and used on the Ontario side of the river. Now, that perhaps is going further than is equitable or fair, but the taking of these precautions shows how anxious we are to see that this Province gets the full benefit of this development.

### **Crown's Water Power Regulations.**

What is done under the leases which we make for water-power? We not only lease the power and retain the control in the Crown, but have a revision at the end of each twenty-year period, so that, if water power is more valuable at the end of the first term of the lease, it is all at large, and the Province is then in a position to arrange such terms as the Government thinks may be fair and reasonable, and equitable in the interests of the people, and increase the rates accordingly. We also make provision for the development of all the power. A man may say "I want to get that water power; I will use a hundred horse power in the enterprise in which I am engaged. I am willing to pay a reasonable amount for that privilege." But if we see there are eight or nine thousand horse power he must do more than that, and we bind him, under the conditions of the lease, that if other power is required for other purposes he shall develop as called upon to the utmost capacity of the power, or forfeit all the rights of the lease. Then as to the disposition of the power, so carefully are these matters guarded, that we say to the original leasee, if there is any dispute between parties who desire to rent surplus power from him to carry on other enterprises as to what constitutes a fair and reasonable price, the matter must be submitted to the Crown Lands Department which shall fix a rental, and that adjustment shall be final. So the House and country will see that in this respect great care is being taken to protect the general public interest, and get the best results from the development of the available water-powers which we possess in this Province.

### **Information Desired.**

Now, in this motion we find the next statement is "and that in the opinion of this House the waters of the Niagara River and its tributaries, as well as all the waters of other streams where necessary"—and if my hon. friend had been here I would have liked to ask him what he meant by "waters of other streams." Perhaps some hon. gentleman on the Opposition side will explain. I do not know that I understand it.

Some hon. gentleman—perhaps the seconder of the resolution, Mr. Carscallen, will be able to tell us what Mr. Miscampbell meant.

Mr. Carscallen—Perhaps he means waterpowers from other streams or rivers.

Mr. Davis—Anywhere in the Province?

Mr. Carscallen—Why, yes.

Mr. Davis—Must be developed by the Government?

Mr. Whitney—No.

Mr. Davis—Must "not" be developed by the Government? Hon. gentlemen appear to be afraid to explain their own resolution and I do not wonder as it seems to me, sir, that this does mean all the streams anywhere in the Province where there are water-powers, and that the Government may be called upon by any municipality in that vicinity to develop this power to its full capacity and at an enormous expenditure of money. That I assume from such information as we are able to get is what he means. Now seriously, do hon. gentlemen mean that that is the business they are proposing to embark the Province in?

Premier Ross—They are not perfectly sure.

Hon. Mr. Stratton—Perhaps the hon. member for East Hamilton who seconded the resolution will say.

Mr. Carscallen—The resolution is very intelligible and drawn in very plain English. If the Commissioner of Crown Lands desires an interpreter we will find him one.

Mr. Davis—Thank you, I would like to have one. But if gentlemen opposite who framed the resolution and adopt it as part of their policy can't explain it, where are we to go for light? Now the resolution states that these streams should "at the earliest moment, subject to existing agreements, be utilized directly by the Provincial Government, in order that the latter may generate and develop electric or pneumatic power for the purpose of light, heat and power, and furnish the same to municipalities in this Province at cost. It would appear that whenever the Government is called upon they are to develop any power to its full capacity anywhere in the Province, at whatever expense may be incurred and furnish that power to the municipalities.

### Municipalities Fully Safeguarded.

Now, let us see what our water-power regulations provide, and which I have no doubt hon. gentlemen opposite have overlooked, and which the Government has already been acting upon. Clause 12, of our water-power regulations reads as follows: "Where a water privilege is applied for by a municipal corporation for the purpose of supplying water, power, light, or heat for the use of the inhabitants thereof, the Commissioner of Crown Lands may issue a lease of said privilege to such corporation if otherwise entitled to receive and hold the same on such special terms and conditions and at such rental as he may deem proper."

Now, here is a provision which has been in operation for several years which gives to the Government power and which they have acted upon in two cases already. And, I may say now, I overlooked mentioning it when speaking of the Fort Frances negotiation, previous to their commencement, I think it was, or during the early stage of the negotia-



tions, I had a communication from the corporation of Fort Frances stating that they would require so many horse power to run their electric plant, and for certain other purposes in connection with the corporation, and asking that such arrangements be made in leasing this power as would reserve this right to them. I wrote back and told them that I would be glad to do that and, in the negotiations that was one of the points, and it is understood between the negotiating parties that such power as required by that municipality shall be furnished to them at cost. This is being done now. We think it is prudent and in the interests of the municipalities that it should be done, as provided under the section which I have already quoted.

Now, we have another case near the Town of Orillia. Some 17 or 18 miles from that town there is a water-power called the Ragged Rapids. That power the municipality of Orillia thought they could use to their advantage in generating power to run their electric light, water supply, etc. They came to my predecessor, so long ago as that, and made their request, stating the condition of affairs, and what they would like to do. The then Commissioner of Crown Lands said, "Why yes; under those regulations we will allow you to have that power practically at a nominal rate," and an arrangement was made with the municipality to their entire satisfaction. They pay only 12½c. per horse power a year for the privilege. They get authority to go on and develop this horse power at their own expense and utilize it for the purposes of the town. They have now got the work practically completed and it has, I believe, very recently come into operation.

The House and the country will, therefore, see that under the regulations the rights of municipalities have already been safe-guarded. They get the power from the Government at a nominal cost. They can then develop it at their own expense and in the way best suited for their purposes and there are many reasons why it is very much better than for the Government of the Province to undertake to develop all the water powers from one end of the Province to the other, and supply municipalities at cost.

To sum up, let me say that under our present course of procedure, the Crown maintains for all time the water-powers vested in itself. It gets a reasonable rental for them, which goes into the public treasury, and out again to the people of the Province to aid them in various ways in reducing their local taxation. The worth of these powers will increase as years pass by and the revenue grow in proportion. In order to accomplish the object aimed at by Mr. Misdampbell's amendment it would be necessary to expend the people's money in millions of dollars. Is it necessary to do this when we have already placed municipalities in a position to get their power direct at cost and by their own development?

Now, sir, I will not detain the House longer. I think we can rise from the discussion of our financial position realizing that the position of the Province is a splendid one in every respect. We see progress and prosperity throughout the land. Our settlement is increasing rapidly year by year. Our water-powers are being developed in the interests of the people of this Province; our timber and mineral resources are producing a large revenue and with prudent management will continue to do so for generations yet to come and we have every reason to look to the future with confidence and hope. (Ministerial applause.)

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